

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02483A
Tonto Hills Utility Company
11802 E. Blue Wash Road
Cave Creek AZ 85331-0000

RECEIVED

MAR 31 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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AMENDED RETURN

FOR COMMISSION USE

Ann04	02
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COMPANY INFORMATION

Company Name (Business Name) TONTO HILLS UTILITY COMPANY

Mailing Address 11802 E. BLUE WASH ROAD

(Street)

CAVE CREEK

(City)

AZ

(State)

85331

(Zip)

(480) 488-0253

Telephone No. (Include Area Code)

(480) 922-9872

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 11802 E. BLUE WASH ROAD

(Street)

CAVE CREEK,

(City)

AZ

(State)

85331

(Zip)

(480) 488-0253

Local Office Telephone No. (Include Area Code)

(480) 922-9872

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: DONALD J. UNTHANK PRESIDENT

(Name)

(Title)

11802 E., BLUE WASH ROAD

(Street)

CAVE CREEK

(City)

AZ

(State)

85331

(Zip)

(480) 488-0253

Telephone No. (Include Area Code)

(480) 922-9872

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: LOU FREDERICK

(Name)

11431 E. MANANA

(Street)

CAVE CREEK

(City)

AZ

(State)

85331

(Zip)

(480) 488-9389

Telephone No. (Include Area Code)

(480) 488-9389

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: <u>DONALD J. UNTHANK</u>			
(Name)			
<u>11802 E. BLUE WASH ROAD</u>	<u>CAVE CREEK</u>	<u>AZ</u>	<u>85331</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 488-0253</u>	<u>(480) 922-9872</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>NONE</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input checked="" type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

COMPANY NAME:

TONTO HILLS UTILITY COMPANY

UTILITY PLANT IN SERVICE

Acct No	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	385		385
302	Franchises	0		0
303	Land and Land Rights	35,282		35,282
303.1	Water, Treat & Transport Rights			0
303.11	CAP Water	37,112		37,112
303.12	Environmental Work for CAP Water Transfer	28,529		28,529
303.13	COS Treat & Transport CAP Water ..30 af/yr	180,641		180,641
303.14	COS PS 94 Expansion for THUC Water	39,560		39,560
303.1	Water, Treat & Transport PAID BY WIFA (a)	285,842		
303.2	Water, Treat & Transport Rights.Paid from Cash			
303.21	CAP Water	99,405		99,405
303.22	COS PS 94 Expansion for THUC Water	27,690		27,690
303.2	Water, Treat & Transport Rights.Paid from Cash (a)	127,095		
304	Structures and Improvements	2,277	654	1,623
307	Wells and Springs	50,197	35,686	14,511
311	Pumping Equipment	47,247	12,837	34,410
320	Water Treatment Equipment	26,269	11,743	14,526
330	Distribution Reservoirs and Standpipes & Collection Reservoirs	12,200	6,700	5,500
331	Transmission and Distribution Mains	136,063	95,883	40,180
333	Services.....Staff Change in decision 61109	14,598	4,643	9,955
334	Meters and Meter Installations..Staff Chg..61109	3,650	1,524	2,126
335	Hydrants	1,325	167	1,158
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment + Printr & Copier	6,231	1,517	4,714
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miacellaneous Equipment	14,150	534	13,616
	TOTAL FIXED ASSETS	\$314,207		
348	Other Tangible Plant			
	TOTALS	\$762,810	\$171,887	\$590,923

This amount goes on the Balance Sheet Acct. No. 108

(a) THUC holds rights to capacity in these facilities, but the assets are owned by others

COMPANY NAME:

TONTO HILLS UTILITY COMPANY

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct No	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1X2)
301	Organization	\$385		\$0
302	Franchises	\$0		\$0
303	Land and Land Rights	\$35,282		\$0
303.1	Water, Treat & Transport Rights			\$0
303.11	CAP Water	\$37,112		\$0
303.12	Environmental Work for CAP Water Transfer	\$28,529		\$0
303.13	COS Treat & Transport CAP Water ..30 af/yr	\$180,641		\$0
303.14	COS PS 94 Expansion for THUC Water	\$39,560		\$0
303.1	Water, Treat & Transport PAID BY WIFA (a)	\$285,842		
303.2	Water, Treat & Transport Rights..Paid from Cash			
303.21	CAP Water	\$99,405		\$0
303.22	COS PS 94 Expansion for THUC Water	\$27,690		\$0
303.2	Water, Treat & Transport Rights..Paid from Cash (a)	\$127,095		
304	Structures and Improvements	\$2,277	\$0	\$114
307	Wells and Springs	\$50,197	\$0	\$2,510
311	Pumping Equipment	\$47,247	\$0	\$2,362
320	Water Treatment Equipment	\$26,269	\$0	\$1,313
330	Distribution Reservoirs and Standpipes & Collection Reservoirs	\$12,200	\$0	\$610
331	Transmission and Distribution Mains	\$136,063	\$0	\$6,803
333	Services..Staff Change in Decision 61109	\$14,598	\$0	\$730
334	Meters and Meter Installations..Staff Chg..61109	\$3,650	\$0	\$183
335	Hydrants	\$1,325	\$0	\$66
336	Backflow Prevention Devices			
339	Pther Plant and Misc. Equipment			
340	Office Furniture and Equipment + Printr & Copier	\$6,231	\$0	\$312
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miacellaneous Equipment	\$14,150	\$0	\$707
	TOTAL FIXED ASSETS	\$314,207		
348	Other Tangible Plant			
	TOTALS	\$762,810		\$15,710

This amount goes on Comparative Statement of Income and Expense
Account No. 403

(a) THUC holds the rights to capacity in these facilities, but the assets are owned by others

COMPANY NAME: TONTO HILLS UTILITY COMPANY

BALANCE SHEET

Acct. No.		BALANCE AT BEGINING OF YEAR	BALANCE AT END OF YEAR	
	ASSETS			
	CURRENT AND ACCRUED ASSETS			
131	Cash			
131.1	Checking	\$13,877	\$7,511	
131.2	Compass Transfer Account	\$1,162	\$2,445	
131.3	Founders Money Market	\$62,540	\$54,025	
131.3	Founders Money Market..Less Reduced Net Income	(\$16,007)	(\$26,582)	
131.3	Founders Money Market..Less Debt Service Reserve	(\$4,994)	(\$9,989)	
131	TOTAL CHECKING/SAVINGS	\$56,578	\$27,410	
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable	\$7,227	\$8,822	
146	Notes/Receivables from Associated Companies			
151	Plant Material and Supplies			
162	Peppayments (Expenses - other)			
	Prepaid Expenses - Other		\$10,440	
174	Miscellaneous Current and Accrued Assets (McVety)	\$151	\$151	
	TOTAL CURRENT AND ACCRUED ASSETS	\$63,956	\$46,823	
	FIXED ASSETS			
101	Utility Plant in Service	\$341,241	\$349,874	
101.1	WATER, TREAT & TRANSPORT PAID BY WIFA (a)		\$285,842	
	CAP Water	\$4,027		
	Environmental Work for CAP Water Transfer	\$28,361		
101.2	WATER, TREAT & TRANSPORT..PAID from Cash (a)		\$127,095	
103	Proprty Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation - Utility Plant	(\$171,887)	(\$171,887)	
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility	\$0	\$0	
	TOTAL FIXED ASSETS	\$201,742	\$590,924	
174	MISCELLANEOUS CURRENT and ACCRUED ASSETS			2000
	Misc Prepaid Loan	\$4,062	\$4,062	\$2,913.33
	Prepaid Misc Non-Utility Income	\$12,344	\$35,352	2001
	Debt Service Reserve	\$7,908	\$12,902	\$4,994.28
	TOTAL MISC CURRENT and ACCRUED ASSETS	\$24,314	\$52,316	2002
				\$4,994.28
	MISCELLANEOUS DEFERRED BEBITS			\$12,901.89
	Aquisition Adjustment	(\$14,062)	(\$11,426)	TOTAL
	TOTAL ASSETS	\$275,949	\$678,636	

NOTE: The assets on this page should be equal to Total Liabilities and Capital on the following page.

(a) THUC holds rights to capacity in these facilities, but the assets are owned by others

COMPANY NAME: TONTO HILLS UTILITY COMPANY

BALANCE SHEET (CONTINUED)

Acct. No		BALANCE AT BEGINING OF YEAR	BALANCE AT END OF YEAR	
	LIABILITIES			
	CURRENT LIABILITIES			
231	Accounts Payable	\$0	\$0	
232	Notes Payable (Current Portion) (Monthly)	\$0	\$0	
234	Notes/Accounts Payable to Associated Companies	\$0	\$0	
235	Customer Deposits (Meters)	\$9,666	\$9,666	
	CAP	\$0	\$1	
236	Accrued Taxes - Payroll	\$1,658	\$1,758	
237	Accrued Interest	\$0	\$0	
241	Miscellaneous Current and Accrued Liabilities	\$208	\$208	
	TOTAL CURRENT LIABILITIES	\$11,531	\$11,632	
	LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds (W.I.F.A.)	\$20,261	\$265,965	Balance Due
	DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$	
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction - Fire Hydrants	\$681	\$681	
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	TOTAL DEFERRED CREDITS	\$681	\$681	
	TOTAL LIABILITIES	\$32,474	\$278,278	
	CAPITAL ACCOUNTS			2000
				\$4,295.71
201	Common Stock Issued	\$66,000	\$66,000	2001
211	Paid in Capital in Excess of Par Value	\$0	\$0	\$164.37
215	Retained Earnings	\$233,922	\$256,356	Debt Svc Emgs
	Earnings Invested in Capital..not paid by WIFA	\$0	\$127,095	2001
	Earnings Invested in Capital by Paying Off WIFA	\$12,126	\$19,877	\$7,666.34
	Partner Distributions	(\$75,000)	(\$80,222)	2002
	Net Income	\$6,428	\$11,252	\$7,750.68
218	Proprietary Capital (Sole Props and Partnerships)	\$0	\$0	\$19,877.10
	TOTAL CAPITAL	\$243,476	\$400,358	TOTAL
	TOTAL LIABILITIES AND CAPITAL	\$275,949	\$678,636	

COMPANY NAME: TONTO HILLS UTILITY COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
460	Unmetered Water Revenue		
460.6	Unmetered Sales...Other		\$1,738
461	Metered Water Revenue	\$99,170	\$109,879
474	Other Water Revenues..Sales & Use Taxes	\$6,378	
474.1	Sales Taxes		\$6,922
474.2	Use Taxes		\$55

474.4	Hook-Up Fees		
	TOTAL REVENUES	\$105,547	\$118,594

	OPERATING EXPENSES		
601	Salaries and Wages	\$7,834	\$8,425
610	Purchased Water..COS & CAP Capital Charge	\$22,716	\$22,671
615	Purchased Power	\$1,044	\$2,582
618	Chemicals...Salt		\$405
620	Repairs and Maintenance	\$3,551	\$2,745
621	Office Supplies and Expenses & Postage	\$916	\$821
630	Outside Services & Professional Services	\$28,900	\$21,908
635	Water Testing	\$5,367	\$2,676
641	Rents (Equipment Rental)	\$1,692	\$1,404
650	Transportation Expenses	\$47	\$28
657	Insurance - General Liability & Workman's Comp	\$2,229	\$9,138
659	Insurance-Health and Life		
666	Regulatory Commission Expense-Rate Case		
675	Miscellaneous Expense with Licenses and Permits	\$1,464	\$654
403	Depreciation Expense	\$15,279	\$15,710
408	Taxes Other Than Income	\$6,788	
408.1	Federal		\$58
408.2	Local		\$28
408.3	Property Taxes	\$4,787	\$4,472
408.4	Sales Taxes		\$6,922
408.5	Use Taxes		\$55
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$102,613	\$100,701

	OPERATING INCOME/(LOSS)	\$2,934	\$17,893
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	OTHER INCOME/(EXPENSE)		
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419	Interest and Dividend Income	\$1,586	\$985
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense...WIFA Loan	(\$728)	(\$10,263)
	Acquisition Adj - Income	\$2,636	\$2,636
	TOTAL OTHER INCOME/(EXPENSE)	\$3,494	(\$6,642)

	NET INCOME/(LOSS)	\$6,428	\$11,252
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(a) In 2003 Interest will be \$16,191.23

(b) In 2003/2004 Insurance was \$16,644.00

(b) In 2004/2005 Insurance will be \$16,996.00

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12-17-99			
Source of Loan	Water Infrastructure Financial Authority			
ACC Decision No.	62286			
Reason for Loan	CAP WATER SOURCE			
Dollar Amount Issued	\$ 285,841.60	\$	\$	\$
Amount Outstanding	\$ 265,964.50	\$	\$	\$
Date of Maturity	01-01-2020			
Interest Rate	6.2%			
Current Year Interest	\$ 10,262.92	\$	\$	\$
Current Year Principle	\$ 7,750.68	\$	\$	\$

Meter Deposit Balance at Test Year End	<u>\$ 9,665.53</u>
Meter Deposits Refunded During the Test Year	<u>\$</u>

COMPANY NAME **TONTO HILLS UTILITY COMPANY**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-524-069	7.5	11.1	990	8	TWO 3/4"	?

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CAP WATER through City of Scottsdale System	20	6,630,416

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	1		7

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
64,000 gallons	1		
17,000 gallons	1		

COMPANY NAME:

TONTA HILLS UTILITY COMPANY

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (In inches)	Material	Length (In feet)
2		
3		
4	Transite	3,382
4	Plastic	4,460
5		
6	Transite	17,733
6	Plastic	3,400
10		
12		

CUSTOMER METERS

Size (In inches)	Quantity
5/8X3/4	111
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Two Culligan Hi-flo softener units

STRUCTURES:

Concrete brick building containing the above softeners

OTHER:

COMPANY NAME: **TONTO HILLS UTILITY COMPANY**

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	109	532,009	0
FEBRUARY	109	579,890	0
MARCH	109	558,660	0
APRIL	109	615,091	0
MAY	109	713,239	0
JUNE	109	824,810	169,270
JULY	109	855,560	485,090
AUGUST	109	730,260	475,070
SEPTEMBER	110	914,938	556,870
OCTOBER	111	780,132	544,440
NOVEMBER	109	700,682	518,210
DECEMBER	109	659,238	370,460
TOTAL		N/A	3,119,410

Is the Water Utility located in an ADWR Management Area (AMA)?

(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ **0.0082 mg/l**

(If more than one well, please list each separately)

Note: If you are filling for more than one system, please provide separate data sheets for each system.

COMPANY NAME TONTO HILLS UTILITY COMPANY

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 4,472.09

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME TONTO HILLS UTILITY COMPANY

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \$20,518.00
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported
Estimated or Actual State Tax Liability 0

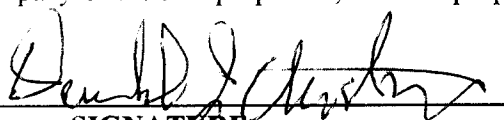
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

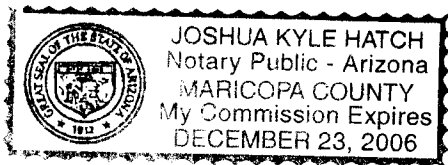

SIGNATURE

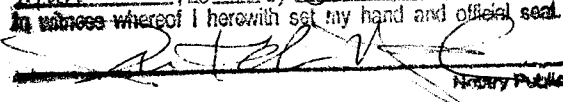
3-27-04
DATE

DONALD J. UNTHANK
DONALD J. UNTHANK
PRINTED NAME

PRES
PRESIDENT
TITLE

STATE OF ARIZONA } ss
COUNTY OF MARICOPA



This instrument was acknowledged before me this 27 day of March, 2004 by Donald Unthank
in witness whereof I herewith set my hand and official seal.

Notary Public

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 31 2004

VERIFICATION

STATE OF ARIZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
DONALD J. UNTHANK.....PRESIDENT
COMPANY NAME
TONTO HILLS UTILITY COMPANY

**CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

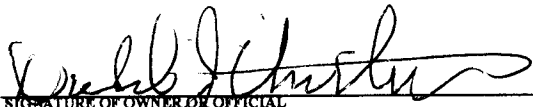
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 118,594.48

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,922.34
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

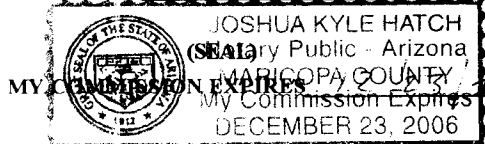

SIGNATURE OF OWNER OR OFFICIAL
(480) 488-0253
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27 **DAY OF**

COUNTY NAME	
<u>Maricopa</u>	
MONTH	
<u>March</u>	
20 <u>07</u>	
SIGNATURE OF NOTARY PUBLIC	



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAR 31 2004

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) DONALD J. UNTHANK	TITLE PRESIDENT
COMPANY NAME TONTO HILLS UTILITY COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 118,594.48

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,922.34
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

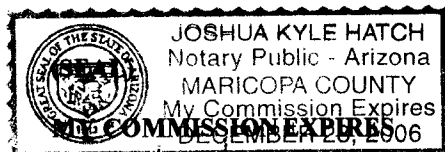
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

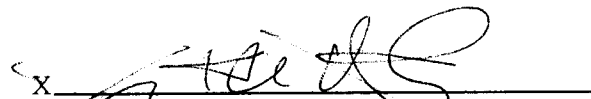
THIS

 27

DAY OF

NOTARY PUBLIC NAME Joshua Kyle Hatch	
COUNTY NAME Maricopa	
MONTH March	20 2004




SIGNATURE OF NOTARY PUBLIC